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SUBJECT: SOUTH-NORTH STANDOFF WORRIES CONSERVATIVE ACADEMICS

Classified By: POL M/C Joseph Yun. Reasons 1.4(b/d)

¶1. (C) SUMMARY: Conservative academics criticized former President Roh Moo-hyun's North Korea policy as too accommodating. Now they worry that President Lee Myung-bak's lack of dialogue with the North means that the ROK will lose its influence, while U.S.-DPRK relations improve. END SUMMARY.

¶2. (C) On May 13 and 15, we met with Ryoo Kihl-jae, Dean of Academic Affairs at the Kyungnam University of North Korean Studies; Huh Moon-young, Director of North Korean Studies at the Korean Institute for National Unification (KINU); and Park Hyeung-jung, North Korean Studies Fellow at KINU. In meetings with us last year, these specialists had evaluated then-President Roh Moo-hyun's "Peace and Prosperity" policy as too accommodating and not effective in changing North Korean behavior (reftel), so we asked them to comment on President Lee Myung-bak's emerging North Korea policy. Their overall assessment was that Lee's first step -- signaling the end of unconditional Sunshine Policy -- was needed, but that the lack of direct dialogue between the two Koreas was now hurting the ROK; they had conveyed this message to ROKG officials. In addition to seeking their comments on the South Korean government's policy, we asked for their assessment of how North Korean authorities might see the current situation, and they also offered comments on the international perspective.

ROK PERSPECTIVE

-- Players:

¶3. (C) LMB: The key to South Korea's policy toward North Korea, all three academics said, was the thinking of President Lee Myung-bak and his top officials, but they disagreed on where Lee was coming from. Lee is a pragmatist without a governing ideology, Huh said, arguing that the relatively hard-line approach toward North Korea arose from the conservative officials and advisors around Lee, particularly Blue House foreign affairs advisor Kim Tae-hyo, Secretary to the President for National Strategy. Park, at the same meeting, disagreed about Lee, saying that Lee himself had strong views on changing North Korea policy, as evidenced in his campaign speeches; that it was Lee's own idea to abolish the Ministry of Unification (MOU); and that Lee's first proposed Minister of Unification, Kyeonggi University's Nam Jo-hung (who withdrew because of allegations

of improper real estate deals) was "ultra-conservative."

¶4. (C) In a separate meeting, Kyungnam University's Ryoo tended to agree with Huh, saying that from reading Lee's own statements and talking to National Security Advisor Kim Byung-kook, whom he has known for 20 years, he had concluded that Lee himself did not want a "180-degree" change in South-North policy, but that Blue House advisors (without naming anyone) were "neo-conservatives," pushing a harder line. Ryoo added that Nam Jo-hung had been proposed more as a confidant of Lee rather than for his views on North Korea, which was not his specialty. The push to get rid of the MOU has been a political move in the spirit of "anything-but-Roh," (especially because the October 2007 Summit was seen as overreaching by the lame-duck President) rather than a change in policy.

¶5. (C) Kim Byung-kook: Ryoo said that he was trying to work through National Security Advisor Kim Byung-kook to convince President Lee that the "ROK needs a strategic dialogue with North Korea." He regarded Kim Byung-kook as a key player on North Korea; he had well-formed views on the issue in part because he had been a regular participant in monthly seminars on North Korea for years, most of which Ryoo led. Ryoo implied that Kim was a moderating force in the Blue House trying to counter harder-line views.

¶6. (C) Kim Ha-joong: All three academics commented on MOU's low profile, in marked contrast to its position the last Administration (when MOU Minister Lee Jeong-seok was widely seen as more influential than the foreign minister). Minister Kim Ha-joong (a career diplomat who just completed six years as ROK Ambassador to China) sees the South-North situation too much in international terms, Huh complained, arguing that Kim needed to take ROK interests into account. Ryoo was more specific, saying that in meetings after taking office Kim had referred to himself as a transitory figure, not wanting to stay at MOU for long, and appeared fully content to treat North Korea policy with what Ryoo assessed amounted to "benign neglect."

¶7. (C) Ryoo, who was a harsh critic of MOU's overly accommodating attitude when we met him last year, lamented that Kim's "deliberate silence" was preventing MOU officials from thinking creatively about North Korea now, when a new approach was needed. Ryoo noted that past Unification Ministers -- such as Lee Jong-seok for President Roh or Lim Dong-won for President Kim Dae-jung -- had acted as personal mentors and educators for their presidents, but that Kim was not seeking such a role, nor was Lee showing an inclination to learn more about North Korea, which was "not personally important to him."

-- Policy

¶8. (C) There was growing unease among North Korea specialists, and to some extent the public, Huh said, that the emerging ROKG approach to North Korea was "irrational hard-line policy." The first step, making clear that economic cooperation requires progress on denuclearization, was right, but now the ROKG needed to find a way to provide humanitarian assistance, not so much out of concern for the people of North Korea but so that South could get back in the game. His comment was in line with Ryoo's stress on the need for restarting dialogue. All three commented on media reports (since confirmed) that the USG would offer food assistance to North Korea, with Huh saying that this would just reinforce the South Korean public's impression that South-North relations had "broken off."

¶9. (C) Park said that the media and public increasingly see Lee's North Korea policy as "inept," in part because of bad public relations work. The public didn't like the way Roh implemented engagement policy, he added, but they wanted engagement to continue. In other words, the public wanted a center-right approach but the current approach, which had resulted in no dialogue with the North, was too far right, and the change from the last ten years was too abrupt.

¶10. (C) Referring to Lee's "Denuclearization, Openness, 3000 USD" proposal to raise North Koreans' per capita income, Huh said that the ROKG should not get stuck on the fact that North Korea had not yet denuclearized and rejected calls for it to open up, but should instead "find a way to start moving" on the plan. But Park shook his head, saying that Kim Jong-il had already rejected the plan and would not discuss it. Huh said that it was true that Kim Jong-il's objections would be hard to overcome, but reminded Park that DPRK defectors had emphasized the need for the ROKG to develop ways of appealing not only to the humanitarian needs of the poorest North Koreans but also the aspirations of the middle class and elites.

¶11. (C) Asked what the ROKG should do to break the impasse, Ryoo said that the ROKG should "walk back" its hard-line policy, convey its intention to resume dialogue with the North, and seek areas for cooperation. Park said that the ROKG should realize that its leverage over the DPRK was limited. The worst-case scenario, Ryoo warned, was that the ROKG would overcome its internal objections and decide to offer food aid to the North, as a way of breaking the ice, but the DPRK would refuse, seeing that as a way to keep the upper hand.

DPRK PERSPECTIVE

¶12. (C) Park offered the most detailed analysis of North Korea's perspective. He saw DPRK authorities shocked at the sudden change in the ROKG's approach, even though they had seen Lee's victory coming, but he added that any government would pull back given such a seismic change in relations. Both the substance (e.g., denuclearization before economic cooperation) and style of the South's approach had changed: ROKG officials were now referring to Kim Jong-il without the customary title of "Chairman of the National Defense Commission," and Lee repeatedly referred to helping the "70 million" Koreans, a term that was bound to unnerve North Korean authorities. Kim Jong-il saw threats, but no benefits, in Lee's rhetoric.

¶13. (C) Park said that the DPRK government was now betting everything on improving relations with the United States, including getting U.S. food aid; there was a deliberate decision to freeze the ROK out. Under the Roh government, the tacit arrangement was that the South provided rice aid (technically as a loan) in exchange for the North's agreement to continue talking. Kim Jong-il would not want to change that arrangement, Park said, but he added that not having ROK food aid was a problem for Kim Jong-il because the aid, funneled to the "army, officials and factories," had helped maintain control of society.

¶14. (C) Commenting on the DPRK's internal situation (his research field), Park said that relations between society and government had deteriorated recently. In the 1990s, when famine struck, there was essentially no "society" that could voice its displeasure to the government, but that had changed: the DPRK public knew more about the outside world and was willing to protest. Noting recent NGO reports that thousands of women had demonstrated in Chongchin (northeast coast) over restrictions on market activity, Park said that he had not been able to personally verify those reports but that even rumors of such demonstrations were a threat to regime stability. It was plausible that people were protesting because the DPRK government, after liberalizing some economic areas in 2002, had tightened up again after 2005, belying ROK academics' predictions that further liberalization would follow, under the warm influence of Sunshine Policy. But Huh commented that the DPRK regime was still able to blame economic hardships on the U.S. and South Korea, propping up North Korea's siege mentality.

¶15. (C) Ryoo said he believed that the DPRK authorities had debated their policy toward the South and concluded that,

compared to dealing with the Lee government, it would be more fruitful to continue negotiations with the U.S., which could lead to improved relations. A bonus point was that the U.S. was also willing to provide food aid, meaning that the DPRK could afford to snub the South for now. More generally, Ryoo said that the DPRK had not changed the way it related to the South during the ten years of Sunshine Policy. South-North relations were not the same as those between two normal countries, and the North felt free to use all means, including swaying South Korean public opinion, to accomplish its goals.

INTERNATIONAL DIMENSION

¶16. (C) It was clear from our interlocutors' comments that they see South-North issues as having important international aspects. Park argued that the ROKG's hard-line position strengthened the U.S. position, helping bring about results on denuclearization (seeing this as a U.S. rather than multilateral effort, apparently), but at a cost to the ROK. He added that the South Korean public sees the international situation generally improving in Asia, with the U.S. making progress on DPRK denuclearization and the prospect of improved ROK-Japan, ROK-China, and China-Taiwan relations, and wonders why South and North can't make progress. Huh added that many South Koreans wonder what overall changes to North Korea policy a new U.S. administration will bring, and how China-DPRK relations are evolving. The implication is that ROK academics see the U.S., China and to some extent Japan playing a role in South-North relations and outcomes.

COMMENT

¶17. (C) These academics were critical enough of President Roh's version of Sunshine Policy last year -- saying it was premised on false assumptions about influencing North Korean behavior and benefits to the South. Accordingly, we expected them to celebrate the shift to a harder-line stance, emphasizing denuclearization in particular and reciprocity in

general. Indeed, during the first days of the Lee Administration, some conservative academics and ROKG officials were talking about a range of pre-conditions for aid -- such as progress on family reunions and POWs and allowing ROK monitors -- not to mention economic assistance. But over the last two months, ROK observers have begun to chafe at the fact that North Korea, as long as it does not accept the South's pre-conditions or even deign to ask for aid, can keep the South locked out of the game while it appears to woo the U.S. The media has resurrected a South Korean neologism first used after the U.S. reached the Agreed Framework with the DPRK: "tong-mi-pong-nam," which means going forward with the U.S. while the South is left behind. In this context, it's not surprising that Foreign Minister Yu Myung-hwan hinted on May 19 that the ROKG may provide food aid to the North, even without an official DPRK request, if the food situation in the North is deemed serious enough.

VERSHBOW